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*Reitman's are now serving
the fashion needs of Women
through 216 retail stores,
in 80 cities in Canada,
from Coast to Coast.*

Feel

Reitman's

(CANADA) LIMITED

250 SAUVE ST. WEST
MONTREAL 12, CANADA

Mr Scott

*Interim Progress Report
6 Months Ended
July 31st, 1967*

REITMAN'S (CANADA) LIMITED

And Wholly Owned Subsidiary Companies

To our Shareholders:

Sales and Earnings of Reitman's (Canada) Limited for the first six months ended July 31st, 1967 were the greatest in the history of our Company.

Sales were \$18,870,964 compared with \$17,654,581 for the same period in 1966, an increase of 7%, and Net Earnings were \$486,929 compared with \$360,372, an increase of 35%. Earnings per share were 52¢ compared with 38½¢ for the same period last year. All figures are subject to year end audit adjustment.

It is well to point out that store volume and profits are usually lower in the first half of the year than the final six months of the year.

For your information the Net Earnings for the last fiscal year ended January 31st, 1967 amounted to \$853,188 equal to 92¢ a share.

During the period under review two new stores were opened, one on April 18th in the Alexis Nihon Plaza, Montreal, Quebec and the other on May 5th in the Avalon Mall, St. John's, Newfoundland. Three stores, including one leased department, were closed during the month of July. At present there are 216 stores in operation. Two more new stores are under construction and are expected to be opened before the end of October.

To date we have four new stores which have been leased and they are expected to be opened during the latter part of 1968.

The outlook for the balance of the year looks very promising and it is anticipated that the year end results should reflect increased sales and profit trend.

At a meeting of the Board of Directors held on September 12th, 1967 the regular quarterly dividend of 12½¢ per share on the Class "A" Stock was declared payable on November 1st, 1967 to shareholders of record October 16th, 1967.

Montreal, September 12th, 1967

Submitted on behalf of the board,

SAM REITMAN, President

CONSOLIDATED STATEMENT OF EARNINGS FOR THE SIX MONTHS ENDED JULY 31, 1967

(With Comparative Figures for the Six Months Ended July 31, 1966)

	1967	1966
SALES	\$18,870,964	\$17,654,581
Cost of Goods Sold and Selling, General and Administration Expenses Exclusive of Items shown hereunder	\$17,655,573	\$16,744,281
DEDUCT:		
Depreciation and Amortization of Fixed Assets	209,922	195,750
Interest on Debentures	103,750	103,750
	17,969,245	17,043,781
Net Earnings Before Providing for Income Taxes	901,719	610,800
Provision for Income Taxes (Estimated)	414,790	250,428
	\$ 486,929	\$ 360,372

CONSOLIDATED STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

For the Six Months Ended July 31, 1967

(With Comparative Figures for the Six Months Ended July 31, 1966)

	1967	1966
SOURCE OF FUNDS:		
Net Earnings for the Six Months	\$ 486,929	\$ 360,372
Add: Deductions not Requiring Cash Outlay:		
Depreciation and Amortization of Fixed Assets	209,922	195,750
Amortization of Discount on Debentures	1,289	1,289
	698,140	557,411
Refund of Income Taxes for prior years	348	3,106
Decrease in Working Capital	102,590	175,695
	\$ 801,078	\$ 736,212
DISPOSITION OF FUNDS:		
Addition of Fixed Assets (net)	534,529	438,111
Dividends Paid	232,255	278,706
Purchase of 7% Sinking Fund Debentures Bought in Anticipation of Sinking Fund (net)	24,562	—
Increase in Advances (net)	581	18,366
Income Tax Assessments for prior years	9,151	1,029
	\$ 801,078	\$ 736,212

